(a) The Ministry of Corporate Affairs is the nodal Ministry for the Competition Act, 2002. No request from USA Government has been received by Ministry of Corporate Affairs for changing any regulations governing mergers and acquisitions under the amended Competition Act, 2002.

(b) and (c) Questions do not arise.

Ownership rights of land in SEZs

†3120. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the land to the investors and developers is being given with the ownership rights in the Special Economic Zones;

(b) whether this system has not been approved by the Parliamentary Committee also and has recommended to give land on lease;

(c) if the industry closes down after the expiry of facility period, what would be the fate of land at that time; and

(d) whether it will not encourage the land mafia indirectly?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) A Developer cannot sell land in a Special Economic Zone as per Rule 11(9) of SEZ Rules. For an area to be notified as SEZ, the Developer should have legal possession and irrevocable rights to develop the said area as SEZ. If the Developer has lease hold rights over the identified area, the lease shall be for a period of twenty years or more.

(b) The Parliamentary Committee has recommended that the land acquired by the State Government for SEZ should not be transferred to the Developer and it should be leased out.

(c) As per Rule 11 of the SEZ Rules, the land or built up area in the processing area shall be given on lease only to entrepreneurs holding a valid letter of approval but notwithstanding any condition in the lease deed, the lease rights would cease to exist in case of the expiry or cancellation of the letter of approval.

(d) Does not arise in view of (c) above.

High customs duty on luxury goods

3121. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether unlike China where the import duty on luxury goods were as low as 20 per cent, the customs duty in India is upwards of 45 per cent;

(b) if so, whether Government are contemplating to lower import tariff/rationalized import duties on luxury goods so that Indians may not go abroad and buy goods which is neither good for Government that loses revenue nor for the consumer to pay more; and

†Original notice of the question was received in Hindi

(c) if so, what steps Government propose to take for a free and fair play for luxury goods in India as well as for opening of the market for FDI?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) As a part of continuing process the Government has brought about a moderate, rational and simplified tax structure. The peak rate of customs duty for non-agricultural products, including most luxury goods, has been reduced gradually and in 2007-08, the rate is 10 per cent. items of luxury goods attracting higher customs duty include, *inter-alia,* essential oils (20%), mineral water/lemonade (30%), wines (150%).

(c) As per extant policy, Foreign Direct Investment (FDI) up to 51% is permitted with prior Government approval in ratail trade of Single Brand products including in luxury goods. Government has till date approved 29 proposals under this policy which include international luxury brands such as Louis Vuitton, Zegna, Fendi, Dolce & Gabbana, Lladro, Christian Dior, Crocs, Diesel, Cartier etc.

Hike in FDI limit for health insurance sector

3122. SHRI RAMDAS AGARWAL; Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government proposes to hike the Foreign Direct Investment (FDI) limit from the present 26 per cent to 49 per cent as well as allow exemption of Service-Tax for growth of Health Insurance Sector;

(b) if so, the details thereof;

(c) whether Government feels that this would help to further deepen the Indian Insurance Market; and

(d) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (d) On the recommendations of the Law Commission/K.P. Narasimhan Committee and Insurance Regulation and Development Authority (IRDA), there is a proposal to amend the Insurance Laws including enhancement of Foreign Direct Investment (FDI) in insurance companies from 26% to 49%. The matter is under consideration of the Government.

EU directive on level of pesticides residues in processed food

3123. DR. M.A.M. RAMASWAMY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the European Union (EU) has in a recent directive to its member countries amended certain annexes to earlier Council Directives with regard to maximum permissible levels for pesticide residues in processed agri crops, fruits, vegetables and tea among others;

(b) if so, the details of pesticides which are proposed to be regulated; and

(c) the effect on India's export to European Union countries due to the fresh directives?